

STATE OF MAINE  
PUBLIC UTILITIES COMMISSION

DOCKET NO. 2002-140

September 23, 2002

PUBLIC UTILITIES COMMISSION  
Management Audit of Northern  
Utilities, Inc.'s Customer Service  
And Investigation to Implement  
Service Quality Incentive Plan

ORDER REGARDING CALL  
RESPONSE PERFORMANCE  
FOR MAY AND JUNE

Welch, Chairman; Nugent and Diamond, Commissioners

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**I. SUMMARY**

We find that Northern Utilities, Inc.'s (Northern) credit and collection line call response performance has not met the Call Response Metric established in our May 16, 2002 Order in this docket for the months of May and June 2002 and a penalty of \$5,000 for each month is therefore assessed. Northern should work with the Director of the Consumer Assistance Division to develop a modified IVR messaging system or call response standard for approval and implementation by October 1, 2002.

**II. BACKGROUND**

On May 16, 2002, we issued an order initiating a management audit of Northern's customer services and establishing interim standards and penalties to apply to Northern's credit and collection line call response performance beginning May 1, 2002. See *Order Initiating Management Audit and Investigation of Service Quality Incentive Plan (May 16, 2002)*. The standards and penalties were proposed by agreement of Staff, Northern and the Public Advocate (OPA) and adopted in our Order.

Northern provided monthly summary reports on its performance for May and June on June 10 and July 3, respectively, along with back-up information for the calculations, as requested by Staff. Northern reported that it had achieved a call response performance rate of calls answered within 30 seconds of 82% for May and 85% for June.

On July 16, 2002, the Staff issued a Hearing Examiner's Report recommending that the Commission impose a penalty for Northern's failure to meet its performance standard for the months of May and June. After making test calls to the credit and collection line, Staff concluded that Northern's messaging system was structured in such a way as to make compliance with the standard unattainable. Northern filed exceptions to the Report in which it

disputed Staff's conclusions, objected to the imposition of a penalty, and requested that the Commission allow it to modify its IVR system so that it could comply with the performance standard.

We suspended our July 24, 2002 deliberations on this matter and directed Staff and the Company to provide further information. By Procedural Order dated August 14, 2002, the Hearing Examiner required Northern to provide 1) the full text of Northern's IVR system response to callers on the credit and collection line, with elapsed time, 2) an explanation of Northern's understanding of the performance standard contained in the May 16, 2002 Order, and 3) a discussion of whether retaining the second message in the IVR system was necessary. Northern provided responses on August 21, 2002, and expressed concerns with respect to how the Commission would determine compliance in the subsequent months that had elapsed during the pendency of this matter. We resumed deliberations on August 27, 2002.

### **III. DISCUSSION AND ANALYSIS**

We adopted an interim standard for Northern's credit and collection line of at least 80% of all calls from customers answered by a live customer representative within 30 seconds pending final resolution of this proceeding. The standard is consistent with the one applied to Bay State Gas by the Massachusetts Department of Transportation and Energy (MA DTE) and with those applied to some of Maine's other utilities. The parties to this proceeding jointly proposed this standard and the related penalty structure. The Order in which we adopted them specified that:

The call answer time shall be measured beginning at the point a caller makes a service selection and ending at the point that a representative in the service area selected by the caller answers the call. If the caller does not make a selection, the response time shall be measured from the point following the completion of Northern's recorded menu options and ending at the point that a customer service representative answers to the call. *[Footnote: At this point in time, Northern's IVR system has only one menu level. Northern agrees to not alter its IVR menu format without first receiving approval from the Commission.]*

Along with the interim credit and collection line call answer metric established by our Order, we adopted a maximum penalty of \$5,000 for each month Northern fails to meet the standard, and of \$60,000, net of monthly penalties incurred within the year, should Northern fail to meet the standard, on

average, for the year, as proposed by the parties in the proceeding. Northern reports its calculation of its monthly performance at the close of each month.

For both May and June, Northern reported that it met the call performance standard by answering more than 80% of its credit and collection center calls during the month within 30 seconds. Staff reviewed the Company's supporting records that showed detailed information on calls received by Northern each day for each month. As an initial observation, it was apparent that the overall response time performance shown on Northern's records was inconsistent with a Consumer Assistance Division (CAD) call survey, which resulted in 1 minute and 54 seconds as the shortest, and 5 minutes and 15 seconds as the longest call response times, with an average call response time of 2 minutes and 30 seconds. In an effort to reconcile these differences, the Director of CAD made several test calls to Northern's credit and collection center on Thursday, July 11, 2002.

While doing so, he noted that Northern's Interactive Voice Response System (IVR) system gives callers a general introductory message concluding with a menu of options for callers, lasting approximately 45 seconds.<sup>1</sup> Four options exist at this menu level. In the order in which they occur, the first three allow callers to select to be routed to representatives handling billing issues with no disconnection pending, handling billing issues with disconnection pending, or establishing payment arrangements. The fourth option is to wait for an available customer representative without selecting one of the particular routings.

Irrespective of which route the call takes, a delay of approximately 15 seconds occurs while the caller is connected to a second general information message.<sup>2</sup> This second message lasts approximately 30 seconds after which the call is transferred to the queue for the appropriate category and the caller waits for a live representative to answer.

With the second recorded message and appurtenant wait time, Northern did not meet the standard articulated in our May 16 Order for May and June, nor can it as long as its IVR system is programmed with a second message that, coupled with transfer time, lasts at least 30 seconds. This forms the basis for our

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<sup>1</sup> The script subsequently provided by Northern shows that the initial message plus the menu of options takes approximately one minute to complete.

<sup>2</sup> This message repeats certain information given to the caller in the first message. We accept Northern's proposal, made in its August 21 filing, to remove from both messages references to its Guardian Care services.

finding of non-compliance.<sup>3</sup>

As noted above, we adopted what was presented to us as Northern's and Staff's joint proposal to begin measurement of call response time "at the point a caller makes a service selection ...[or if] the caller does not make a selection, ... from the point following the completion of Northern's recorded menu options and ending at the point that a customer service representative answers the call." Northern states that it understood the measurement would begin at the end of the second message. Given the plain language that appears in our draft and final orders, which Northern did not contest, it is difficult for us to conceive how a misunderstanding occurred. We do not question the honesty of the individuals involved. However, it appears Northern did not fully understand the IVR structure it had in place for its credit and collection line when it agreed to a call standard that it could not meet.

We impose penalties for the months of May and June because it is consistent with the terms of the agreement when made, and to emphasize that the Company has an obligation to exercise a higher degree of care and attention in its dealings. We are comfortable that this modest penalty is not unduly harsh for a circumstance that is based more upon inattention than intention.<sup>4</sup>

We are sympathetic to Northern's concern that it not be penalized for the subsequent months of July and August which have elapsed during the pendency of this matter, given that it has not had an opportunity to revise its IVR message, with our approval, to ensure that it would be able to meet the agreed upon standard. Accordingly, we will not impose similar penalties for July, August, and September to provide Northern sufficient time to adjust its messaging system script as necessary to meet the standard. Northern should work with our CAD Director to develop a mutually acceptable messaging system or call response

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<sup>3</sup> Staff notes that Northern's reported response times do not appear to be consistent with CAD's call survey results for May and June even after adjusting them for the time taken by the second message and related system transfer. Northern states that it has measured its call response time beginning at the time the call is transferred into the queue after the second message. After deducting 45-50 seconds (the time taken by the second message plus transfers), Staff found a significant difference between CAD's average call response time (approximately 1.5 minutes) and the Company's (approximately 30 seconds). Further analysis would be necessary to determine the reasons for the remaining inconsistencies.

<sup>4</sup> We will process these penalties, along with any others that result from the interim credit and collection line call performance standards, at the end of the penalty year in May 2003.

standard for its credit and collection line and should file the proposal for our approval and implementation on October 1, 2002.<sup>5</sup>

#### IV. CONCLUSION

We find that Northern has not met the standards established in our May 16 Order and, therefore, is required to pay a penalty of \$5,000 per month, for a total penalty of \$10,000 to date, as also established by that Order.

Dated at Augusta, Maine this 23<sup>rd</sup> day of September, 2002.

BY ORDER OF THE COMMISSION

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Dennis L. Keschl  
Administrative Director

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<sup>5</sup> We understand that Northern has already initiated this discussion with the Director of CAD.

## NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within **21 days** of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Appellate Procedure.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.